



This document is scheduled to be published in the Federal Register on 12/08/2015 and available online at <http://federalregister.gov/a/2015-30883>, and on FDsys.gov

4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

**[Docket ID BSEE- BSEE-2015-0011; OMB Control Number 1014-0019;
15XE1700DX EEEE500000 EX1SF0000.DAQ000]**

**Information Collection Activities: Oil and Gas Production Requirements;
Submitted for Office of Management and Budget (OMB) Review; Comment
Request**

ACTION: 30-day Notice.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), the Bureau of Safety and Environmental Enforcement (BSEE) is notifying the public that we have submitted to OMB an information collection request (ICR) to renew approval of the paperwork requirements in the regulations under subpart K, *Oil and Gas Production Requirements*. This notice also provides the public a second opportunity to comment on the revised paperwork burden of these regulatory requirements.

DATES: You must submit comments by **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Submit comments by either fax (202) 395-5806 or email (OIRA_Submission@omb.eop.gov) directly to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for the Department of the Interior (1014-0019). Please provide a copy of your comments to BSEE by any of the means below.

- Electronically go to <http://www.regulations.gov>. In the Search box, enter BSEE-2015-0011 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.
- Email cheryl.blundon@bsee.gov, fax (703) 787-1546, or mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Regulations and Standards Branch; ATTN: Cheryl Blundon; 45600 Woodland Road, Sterling, VA 20166. Please reference ICR 1014-0019 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Cheryl Blundon, Regulations and Standards Branch, (703) 787-1607, to request additional information about this ICR. To see a copy of the entire ICR submitted to OMB, go to <http://www.reginfo.gov> (select Information Collection Review, Currently Under Review).

SUPPLEMENTARY INFORMATION:

Title: 30 CFR 250, Subpart K, *Oil and Gas Production Requirements*.

Form(s): BSEE-0126 and BSEE-0128.

OMB Control Number: 1014-0019.

Abstract: The Outer Continental Shelf (OCS) Lands Act (OCSLA), at 43 U.S.C. 1334 authorizes the Secretary of the Interior to prescribe rules and regulations necessary for the administration of the leasing provisions of that Act related to mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-way, or a right-of-use and easement. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as

possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

Section 5(a) of the OCS Lands Act requires the Secretary to prescribe rules and regulations “to provide for the prevention of waste, and conservation of the natural resources of the Outer Continental Shelf, and the protection of correlative rights therein” and to include provisions “for the prompt and efficient exploration and development of a lease area.”

Section 1334(g)(2) states “. . . the lessee shall produce such oil or gas, or both, at rates . . . to assure the maximum rate of production which may be sustained without loss of ultimate recovery of oil or gas, or both, under sound engineering and economic principles, and which is safe for the duration of the activity covered by the approved plan.”

In addition to the general authority of OCSLA, section 301(a) of the Federal Oil and Gas Royalty Management Act (FOGRMA), 30 U.S.C. 1751(a), grants authority to the Secretary to prescribe such rules and regulations as are reasonably necessary to carry out FOGRMA’s provisions. While the majority of FOGRMA is directed to royalty collection and enforcement, some provisions apply to offshore operations. For example, section 109(c)(2) and (d)(1), 30 U.S.C. 1719(c)(2) and (d)(1), impose substantial civil penalties for failure to permit lawful inspections and for knowing or willful preparation or submission of false, inaccurate, or misleading reports, records, or other information. Because the Secretary has delegated some of the authority under FOGRMA to the Bureau

of Safety and Environmental Enforcement (BSEE), 30 U.S.C. 1751 is included as additional authority for these requirements.

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996), and OMB Circular A-25, authorize Federal agencies to recover the full cost of services that confer special benefits. Under the Department of the Interior's implementing policy, BSEE is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those that accrue to the public at large. Several requests for approval required in Subpart K are subject to cost recovery and BSEE regulations specify service fees for these requests.

Regulations implementing these responsibilities are among those delegated to BSEE.

Responses are mandatory or are required to obtain or retain a benefit. No questions of a sensitive nature are asked. BSEE protects information considered proprietary under the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR 2), and under regulations at 30 CFR part 250.197, *Data and information to be made available to the public or for limited inspection*, 30 CFR part 252, *OCS Oil and Gas Information Program*.

The information collected under Subpart K is used in our efforts to conserve natural resources, prevent waste, and protect correlative rights, including the Federal Government's royalty interest. Specifically, BSEE uses the information to:

- evaluate requests to burn liquid hydrocarbons and vent and flare gas to ensure that these requests are appropriate;
- determine if a maximum production or efficient rate is required; and,

- review applications for downhole commingling to ensure that action does not result in harm to ultimate recovery.

We collect the information required under this Subpart for reservoir, reserves, and conservation analyses, including the determination of maximum production rates (MPRs) when necessary for certain oil and gas completions and to evaluate the results of well tests to determine if reservoirs are being depleted in a manner that will lead to the greatest ultimate recovery of hydrocarbons.

The current subpart K regulations also specify the use of forms BSEE-0126 (Well Potential Test Report) and BSEE-0128 (Semiannual Well Test Report). Under BSEE-0126, we use this information for reservoir, reserves, and conservation analyses, including the determination of maximum production rates (MPRs) when necessary for certain oil and gas completions. This requirement implements the conservation provisions of the OCS Lands Act and 30 CFR 250. The information obtained from the well potential test is essential to determine if an MPR is necessary for a well and to establish the appropriate rate. It is not possible to specify an MPR in the absence of information about the production rate capability (potential) of the well.

Under BSEE-0128, we use this information to evaluate the results of well tests to determine if reservoirs are being depleted in a manner that will lead to the greatest ultimate recovery of hydrocarbons. This information is collected to determine the capability of hydrocarbon wells and to evaluate and verify an operator's approved maximum production rate if assigned. The form was designed to present current well data on a semiannual basis to permit the updating of permissible producing rates, and to provide the basis for estimates of currently remaining recoverable gas reserves.

Frequency: On occasion, weekly, monthly, semi-annual, annual, and varies as required by regulations.

Description of Respondents: Potential respondents comprise OCS Federal oil, gas, or sulphur lessees and/or operators.

Estimated Reporting and Recordkeeping Hour Burden: The estimated annual hour burden for this information collection is a total of 46,136 hours. The following chart details the individual components and estimated hour burdens. In calculating the burdens, we assumed that respondents perform certain requirements in the normal course of their activities. We consider these to be usual and customary and took that into account in estimating the burden.

BURDEN TABLE

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
WELL TESTS/SURVEYS and CLASSIFYING RESERVOIRS				
1151(a)(1), (c); 1167	Conduct well production test; submit Form BSEE-0126 (Well Potential Test Report) and supporting information within 15 days after end of test period.	3.4	587 forms and information	1,996
1151(a)(2), (c); 1167	Conduct well production test; submit Form BSEE-0128 (Semiannual Well Test Report) and supporting information within 45 days after end of calendar half-year.	3.2	8,605 forms and information	27,536
1151(b)	Request extension of time to submit results of semi-annual well test.	0.6	8 requests	5
1152(b), (c);	Request approval to conduct well testing using alternative procedures.	0.9	7 requests	6
1152(d)	Provide advance notice of time and date of well tests.	0.6	36 notices	22
Subtotal			9,243 responses	29,565 hours
APPROVALS PRIOR TO PRODUCTION				

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1156; 1167	Request approval to produce within 500 feet of a unit or lease line; submit supporting information/ documentation; notify adjacent operators and provide BSEE proof of notice date.	8.75	20 requests	175
		\$3,892 x 20 requests = \$77,840		
1156(b); 1158(b)	Notify adjacent operators submit letters of acceptance or objection to BSEE within 30 days after notice; include proof of notice date.	1.63	20 letters	33
1157; 1167	Request approval to produce gas-cap gas in an oil reservoir with an associated gas cap, or to continue producing an oil well showing characteristics of a gas well with an associated gas cap; submit producing an oil well showing characteristics of a gas well with an associated gas cap; submit supporting information. .	16.2	22 requests	356
		\$4,953 x 22 requests = \$108,966		
1158; 1167	Request approval to downhole commingle hydrocarbons; submit supporting information; notify operators and provide proof of notice date.	24	30 applications	720
		\$5,779 x 30 applications = \$173,370		
Subtotal			92 responses	1,284 hours
			\$360,176 non-hour costs	
FLARING, VENTING, and BURNING HYDROCARBONS				
1160; 1161; 1163(e)	Request approval to flare or vent natural gas or exceed specified time limits/volumes; submit evaluation/documentation; report flare/vent information due to blow down of transportation pipelines within 72 hours after incident.	2.55	231 requests/ reports	589
1160(b); 1164(b)(1), (2)	H ₂ S Contingency, Exploration, or Development and Production Plans and, Development Operations Coordination Documents– burdens covered under 1014-0018 and BOEM’s 1010-0151. Monitor air quality and report – burdens covered under 1010-0057.			0

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
1162; 1163(e)	Request approval to burn produced liquid hydrocarbons; demonstrate no risk and/or submit documentation re transport. If approval needed, submit documentation with relevant information re hydrocarbons burned under the approval.	1.25	3 requests/ reports	4
1163	Initial purchase or replacement of gas meters to measure the amount of gas flared or vented. This is a non-hour cost burden.	13 meters @ \$77,000 each - \$1,001,000		
1163(a)(1)	Notify BSEE when facility begins to process more than an average of 2,000 bopd per month.	1.25	33 notices	41
1163(b);	Report to ONRR hydrocarbons produced, including measured gas flared/vented and liquid hydrocarbon burned—burden covered under 1012-0004.	0		
1163(a), (c), (d)	Maintain records for 6 years detailing on a daily and monthly cumulative basis gas flaring/venting, liquid hydrocarbon burning; and flare/vent meter recordings; make available for inspection or provide copies upon request.	14.8	914 platforms (gas flare/vent)	13,527
		1	60 liquid hydrocarbon	60
1164(c)	Submit monthly reports of flared or vented gas containing H ₂ S.	3.6	15 operators x 12 mos. = 180	648
Subtotal			1,434 responses	14,869 hours
			\$1,001,000 non-hour costs	
OTHER REQUIREMENTS				
1165	Submit proposed plan and supporting information for enhanced recovery operations.	12	18 plans	216
1165(c)	Submit periodic reports of volumes of oil, gas, or other substances injected, produced, or produced for a second time--burden covered under ONRR's 1012-0004.	0		
1166	Alaska Region only: submit annual reservoir management report and supporting information.	1	1 (req'd by State, BSEE gets copy)	1

30 CFR 250 Subpart K and related NTLs	Reporting & Recordkeeping Requirement*	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (rounded)
		Non-Hour Cost Burdens		
		100	1 new development not State lands	100
		20	1 revision	20
1150-1167	General departure or alternative compliance requests not specifically covered elsewhere in Subpart K.	2.8	29 submissions	81
Subtotal			50 responses	418 hours
TOTAL BURDEN			10,819 Responses	46,136 Hours
			\$1,361,176 non-hour cost burdens	

* In the future, BSEE may require electronic filing of some submissions.

Estimated Reporting and Recordkeeping Non-Hour Cost Burden: We have identified four non-hour cost burdens, for a total of \$1,361,176. Three are service fees required to recover the Federal Government's processing costs of certain submissions.

The fourth cost is an IC equipment expenditure. The details are as follows:

§ 250.1156 requires a service fee when submitting a request for approval to produce within 500 feet of a unit or lease line.	\$3,892
§ 250.1157 requires a service fee when submitting a request for approval before producing gas-cap gas from each completion in an oil reservoir known to have an associated gas cap, or to continue producing if an oil reservoir is not initially known to have an associated gas cap, but begins to show characteristics of a gas well.	\$4,953
§ 250.1158 requires a service fee for submitting a request for approval to downhole commingle hydrocarbons.	\$5,779
§ 250.1163 requires respondents to purchase and install gas meters to measure the amount of gas flared or vented gas for those that produce more than 2,000 bopd and do not already have a meter or need to replace a meter.	\$77,000

We have not identified any other non-hour cost burden associated with this collection of information.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, *et seq.*) provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information, you are not obligated to respond.

Comments: Section 3506(c)(2)(A) of the PRA (44 U.S.C. 3501, *et seq.*) requires each agency “. . . to provide notice . . . and otherwise consult with members of the public and affected agencies concerning each proposed collection of information . . .” Agencies must specifically solicit comments to: (a) evaluate whether the collection is necessary or useful; (b) evaluate the accuracy of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of technology.

To comply with the public consultation process, on August 27, 2015, we published a **Federal Register** notice (80 FR 52061) announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. In addition, § 250.199 provides the OMB Control Number for the information collection requirements imposed by the 30 CFR 250, subpart K regulations and forms. The regulation also informs the public that they may comment at any time on the collections of information and provides the address to which they should send comments. We received eight comments (seven of which were from the same individual) in response to the **Federal Register** notice or unsolicited comments from respondents covered under these regulations. While the majority of the comments were not germane to the

paperwork burden of this collection; we have responded to the specific electronic burden comments, and some broad based reporting requirement comments.

In response to the comment that “BSEE is still in the paper collection and data entry paradigm” regarding the Well Potential Test Report (Form BSEE-0126) and the Semiannual Well Test Report (Form BSEE-0128), we offer the following. Regarding the Semiannual Well Test Report, starting in 2009, we strongly encouraged operators to submit the data electronically as there is no regulatory authority to require electronic submittals. BSEE estimates that 40 - 50 percent of this data is currently submitted electronically. When submitted electronically, there is obviously no need for a public information copy. BSEE continues to encourage operators to submit this data electronically. Regarding the Well Potential Test Report, they are not currently submitted electronically because in addition to the form, structure maps, well log sections, and other proprietary data are attached as part of the submittal. Therefore, it would not be efficient to have operators submit the data on the form separate from the structure maps, etc. BSEE does agree that a long term solution could be to have all such data submitted electronically and will continue to pursue.

In response to the comment that we should “streamline the reporting as to reduce the burden to the oil and gas companies”, if we did not collect the information required in this subpart, BSEE would be unable to effectively carry out: the mandate of the OCS Lands Act, administer the offshore program, and promote and ensure the safety of the environment and personnel working on the OCS.

In response to the comment, “the oil and gas companies should only be required to report oil and gas production and operations to one office. This will reduce the reporting

requirements and costs to the companies and those savings, should hopefully be passed upon to the consumers. Therefore, BSEE and BOEM should have one central point of contact to receive information from the oil and gas companies. Duplicative reporting should be avoided”. Our response, BSEE agrees that duplicative reporting should be avoided. There is no one central reporting location for both BSEE and BOEM.

However, BSEE works closely with BOEM to review the regulatory reporting requirements and to ensure there is no duplicative reporting. For more information on BSEE and BOEM individual reporting requirements refer to 30 CFR 250 and 550 respectively.

Public Availability of Comments: Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: November 19, 2015.

Robert W. Middleton, Deputy Chief,
Office of Offshore Regulatory Programs.

[FR Doc. 2015-30883 Filed: 12/7/2015 8:45 am; Publication Date: 12/8/2015]